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Annual Report 1961

GRAY
DRUG STORES, INC.

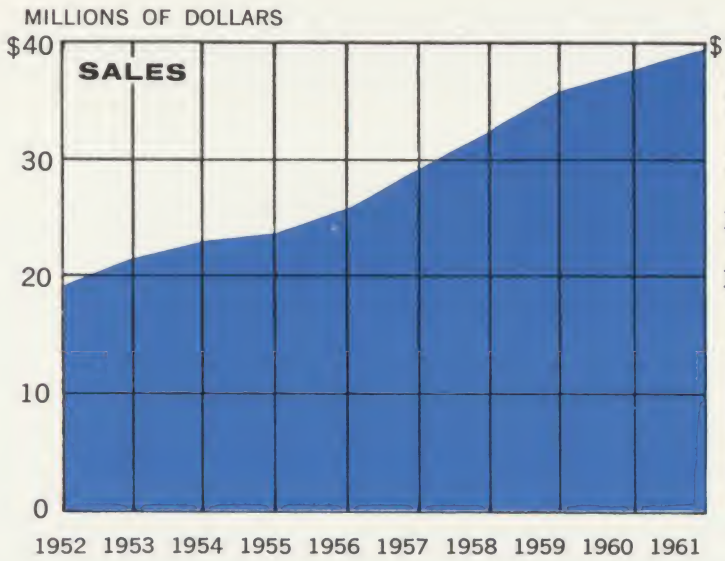
Typical prescription department.

GRAY
DRUG STORES, INC.

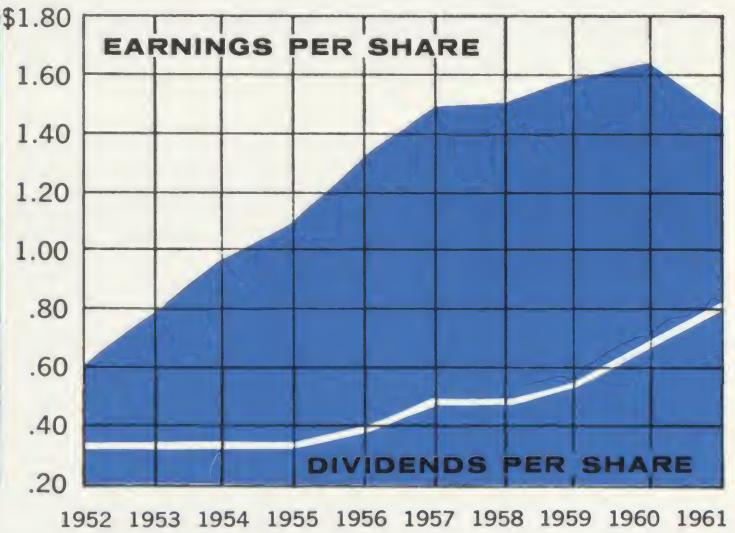
Self-service, a feature of Gray Drug stores.

Drug department in discount department store.

New cosmetics counters meet needs of teen-age population expansion.



Sales of Gray Drug Stores, Inc., have increased every year for 11 consecutive years and are now at an all-time record, having approximately doubled during the past 10 years.



Earnings per share have shown steady long-range growth reflected in rising dividend increases. The excess of earnings over dividend payout also provides substantial funds for expansion.

highlights of operations

(Fiscal years ended June 30)

	1961	1960
Net Sales	$39,626,661	$37,552,700
Net Income	$707,793	$793,989
Net Income Per Share	$1.42	$1.63
Dividends Per Share	$.80	$.66⅔
Working Capital	$6,218,365	$6,087,245
Current Ratio	2.47 to 1	2.36 to 1
Shareholders' Equity	$7,826,699	$7,338,099

Mr. Weinberger

Mr. Evans

letter to shareholders

Gray Drug Stores, Inc., the nation's eighth largest drug chain, established a new sales record during the fiscal year ended June 30, 1961, and is now embarked upon the most extensive growth program in the Company's history, including entry into the discount drug field.

Net sales during the year totalled $39,626,661, a gain of $2,073,961 or 5.52 per cent over the $37,552,700 figure for the preceding year. There were 117 stores in operation at the fiscal year-end, compared with 111 at the same time a year ago.

Profits were affected by the national recession during the first three quarters of the year, then rebounded encouragingly in the final quarter to reach $707,793 or $1.42 a share for the entire year.

Dividends were raised to 80 cents a share for the year, compared with 66⅔ cents the preceding year, and payments are now at a quarterly rate of 20 cents a share. A dividend has been paid during every year of our history.

major growth ahead

Gray Drug has been a growth company throughout its 33 years of existence. Sales have climbed steadily from $1,531,636 in 1929 to the present $39,626,661 and have set new records for 11 consecutive years. Fast as this growth has been, present indications are that even greater new opportunities lie ahead.

Part of the record expansion now under way will come from increasing the number of drug stores we operate and our sales per store. The remainder of our growth will be in an entirely new field with a dynamic potential. This is the setting up and operation of discount centers.

In the past, our stores have been concentrated in Ohio. Now we are expanding throughout the country and already are active on both coasts.

drug store progress

The great majority of Gray Drug stores opened during recent years are in shopping centers, and most of our stores are on a self-service basis.

The result is a modern and efficient drug chain, offering the best in service and products at competitive prices. Our newest drug stores range up to 10,000 square feet or more in size and offer about 30,000 different items. Prescription departments, set off by white colonial facades, are large and dignified to reflect the ethical professional foundation of drug store operation. Average sales area of our shopping center stores is three times the national drug store average. Since nearly all of our new stores have gone into shopping centers, seven in fiscal 1961 alone, our profits are just beginning to benefit from the steady increase in customer traffic at the many shopping centers where we are now located. Continuing growth of shopping center traffic will have a beneficial effect on future sales and net income.

now, a second retail revolution

Growth of the shopping center concept has been one of the major retail revolutions of our time, and Gray Drug has grown with and benefited from this trend. Now there is a second great retail revolution under way in the rise of the modern discount department store.

These stores may be opened on a "closed" or membership basis, or on an "open" basis catering to everyone. They are modern and big. One store

in which we are establishing a discount drug department has a floor area equal in size to three football fields. The number of such stores also is growing at a tremendous rate.

Gray Drug, on the basis of its purchasing power and promotional experience, is well qualified to establish and operate drug centers as departments of these large discount stores.

During the past year, we have operated drug centers in discount department stores of both the open and closed type, in states as widely separated as California and Florida, and results of these experimental operations have been excellent both from the standpoint of the department stores and our Company. This program is now being greatly expanded.

In contrast to the growth pattern of a drug store, which involves a large initial investment in facilities and a period of several years to reach sales and profit potentials, a discount center department can be established with a comparatively small investment and begins to earn a profit within a short time.

Another type of discount drug operation involves a small store providing a limited line of merchandise and package sizes on strictly a self-service basis. The company also has opened several of these stores as an experiment.

two roads to growth

To sum up our plans and policies, Gray Drug will continue building its drug store business along the same lines that have been so successful in the past. We will continue to establish new drug stores in shopping centers, not only in Ohio but in other parts of the country as well.

In addition to this established and traditional growth pattern, we are entering the discount drug business experimentally on a broad national scale, with drug centers in discount department stores, and separate discount drug stores of our own.

In other words, our new expansion plans mean that Gray Drug is following its traditional road to sales and progress, and at the same time is starting on a new and separate road which we also believe has substantial profit potentials.

looking forward

The Board of Directors has authorized the redemption of the 5% Convertible Debentures, effective October 30, 1961, at the redemption price of 104% of the principal amount of the debentures plus accrued interest. The debenture holders have, however, the option to convert their debentures into Common Stock at a conversion price of $15.83 a share on or before October 20, 1961. Also, a credit agreement has been executed with a bank in an aggregate amount of $3,000,000, and convertible into a term loan. This amount is in addition to the Company's regular line of credit.

Our credit position as a result of these actions, together with our retained earnings of $5,338,113 and net worth of $7,826,699 puts the Company in a sound and strong financial position for the major growth we see ahead.

In addition to the opening of new drug stores and discount units, Gray Drug is in a position to benefit from the expansion of many consumer markets . . . pharmaceuticals, photography, cosmetics, records, greeting cards, toys, baby needs and soft cover books, for example. We are constantly testing new departments . . . automotive products, artificial flowers, giftwares, to name a few.

With the general national improvement in the business and employment picture, in addition to our own growth programs, the Company's sales and profits are continuing to rise at an encouraging rate during the new fiscal year now under way. Opening of many discount centers within the next few months will quickly contribute to the momentum of this movement.

Our organization is strong and aggressive. We wish to acknowledge the excellent job done by the Company's employees in carrying out the growth program of the past year, and to thank them for their efforts in maintaining and building the tradition of service that is the foundation of the Company's business.

Present projects for the current year indicate the greatest growth in our history, and net earnings are expected to keep pace with this progress.

Sincerely,

Adolph Weinberger

Adolph Weinberger, Chairman

Carlyle W. Evans, President

September 13, 1961

drug store and discount center growth planning

Seven new drug stores were opened, seven discount centers were put into operation, and 11 stores were remodeled by the Company during the year ended June 30. This was the largest 12-month improvement program in the history of Gray Drug.

Sales per store climbed to $339,000 compared with $241,000 just 10 years ago.

This growth combination is largely the result of a planned program begun in 1952 to concentrate our new drug stores in shopping centers. Approximately 67 per cent of last year's drug store sales were in shopping center stores, compared with 15 per cent in 1952.

These new stores are designed to meet a wide variety of family shopping needs and are substantially larger than stores we have opened in the past.

a continuing trend

A shopping center developer is highly selective in assigning drug store leases, since the minimum rental plus a percentage of gross sales arrangement ties his income to his choice of drug store operators. The lease goes to the drug store operator most likely to build customer traffic for the shopping center and to generate the highest sales volume.

Gray Drug, with a growing record of success in shopping center drug store operation and the marketing skills and resources to build customer traffic benefiting the entire center, is being presented with more opportunities to build stores in choice locations than ever before. For this reason, the Company believes that the current rapid growth in the number of its shopping center drug stores is a continuing trend.

New drug stores were opened during the past year in Parma, Newark, Cleveland (2 stores), Dayton, Cincinnati and Milford, Ohio.

Typical of these new stores is a unit opened during July, 1961, in the Great Lakes Mall Shopping Center at Mentor, a 100-acre center in a suburban community whose growth is being spurred by the building of new freeways providing rapid access to nearby plants and to Cleveland. Our store is a 10,600-square-foot unit with one entrance opening onto a parking area and the other onto an air-conditioned and heated mall.

Another major improvement program of recent years has been the conversion of existing stores to self-service operations and the remodeling of virtually all stores.

The Company's chain is subject to constant change. Stores with low profit margins are disposed of by closing or sale. New departments are added and new ideas put into action. The change to self-service, now largely completed, is helping to save on operating expenses and at the same time keep prices at competitive levels.

new drug stores scheduled

New drug stores to be opened during the next year include two in Akron, four in Cleveland, and one each in Mt. Vernon, Columbus and Findlay, Ohio. Among the stores to be opened later are locations in Buffalo, N. Y.; Miami, Fla.; and Covington, Ky.

discount operations

Our Company was incorporated in 1929, just before the economic depression of the 1930's, which actually were years of progress for the Company. The reason was our ability to provide quality products at low prices through efficient operation and large-scale purchasing.

Today, with vastly increased volume and 32 years of experience in efficient operation, Gray Drug can meet any type of price competition and thrive on it. This is true in the discount drug field and in the operation of our regular drug stores.

A discount drug center represents only a third of the investment of a drug store. Primary prod-

New discount department store of type in which Gray Drug will operate drug departments. Floor area of a single store may equal three football fields in size, and opening day crowd indicates popularity of store with consumers.

New departments offering new product lines are constantly being opened at all Gray Drug stores.

ucts are patent remedies, cosmetics and vitamins. Brand names and package sizes are limited in number. A pharmacy is usually included. Operating costs are pared to the bone, and the savings are passed along to the customers. These savings are significant.

Gray Drug during the past year opened drug centers on an experimental basis in discount department stores in Anaheim and Torrance, California; Jacksonville, Florida; Fort Worth, Texas; Youngstown and Fremont, Ohio. Discount drug stores were operated independently in other Ohio cities.

Results were encouraging in all instances. We were successful in operating at distant locations. While none of the centers has a full year of operation behind it, present monthly volume of a typical discount drug operation indicates an average annual volume in excess of $500,000 per unit. Profit margins are not as high as for conventional drug stores, but earnings are generated quickly and are adequate in terms of return on investment. Also, lease commitments are short-term.

The Company has the background to expand discount drug operations very rapidly on a national basis, as a separate activity from our drug store growth program, and is in a position to become a leader in the rapidly developing discount field.

many roads to progress

With 12 new drug stores scheduled, each expected to exceed our current average annual sales of $339,000 per drug store, and an even larger number of discount departments and stores planned at the indicated annual average volume of $500,000 per unit, Gray Drug anticipates steady and substantial progress.

Present discount department commitments cover new centers in a number of states, and we have tested this type of operation sufficiently to believe that the opportunities are good.

With new drug stores, a growing volume per drug store, product lines which represent expanding consumer markets, a record of store volume that is helping us to obtain drug store locations in major new shopping centers, and excellent new possibilities in the discount drug field, Gray Drug believes that continuing major expansion lies ahead on a sound long-range basis.

10 years of progress

	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
Net Sales	$39,626,661	$37,552,700	$35,991,537	$32,249,706	$29,333,474	$25,543,059	$23,390,391	$22,578,421	$21,075,426	$19,268,081
Net Income Before Federal Taxes on Income	$ 1,467,793	$ 1,673,989	$ 1,607,591	$ 1,371,322	$ 1,404,880	$ 1,206,429	$ 953,560	$ 875,643	$ 713,203	$ 539,767
Net Income	$ 707,793	$ 793,989	$ 768,591	$ 692,322	$ 690,880	$ 576,429	$ 470,560	$ 407,643	$ 327,898	$ 250,767
Income per Common Share (1)	$ 1.42	$ 1.63	$ 1.58	$ 1.48	$ 1.47	$ 1.31	$ 1.07	$ .95	$ .77	$ .59
Income as a Percentage of Sales	1.78%	2.12%	2.14%	2.15%	2.36%	2.25%	2.01%	1.81%	1.55%	1.30%
Income as a Percentage of Shareholders Equity	9.04%	10.82%	11.20%	11.06%	11.95%	11.20%	9.94%	9.36%	8.06%	6.47%
Cash Dividends Declared — Common Stock	$ 393,062	$ 323,850	$ 256,720	$ 218,718	$ 208,928	$ 161,618	$ 145,893	$ 142,925	$ 141,350	$ 140,625
Dividends Per Share (1)	$ .80	$ .66⅔	$ .53⅓	$ .46⅔	$ .46⅔	$ .36⅔	$ .33⅓	$ .33⅓	$ .33⅓	$ .33⅓
Number of Shares Issued (1)	496,762	485,775	485,775	469,242	468,492	440,775	440,775	429,600	424,500	422,850
Net Working Capital	$ 6,218,365	$ 6,087,245	$ 5,630,703	$ 3,691,958	$ 3,509,318	$ 3,389,227	$ 3,014,120	$ 2,733,670	$ 2,639,914	$ 2,597,878
Total Assets	$14,195,991	$14,114,536	$13,262,079	$11,195,293	$ 9,883,411	$ 9,069,108	$ 8,279,362	$ 7,846,751	$ 7,558,081	$ 8,029,728
Long Term Debt	$ 2,139,200	$ 2,313,500	$ 2,313,500	$ 531,426	$ 576,377	$ 758,554	$ 917,839	$ 1,055,951	$ 1,181,480	$ 1,291,060
Shareholders Equity (2)	$ 7,826,699	$ 7,338,099	$ 6,867,960	$ 6,259,195	$ 5,781,497	$ 5,146,538	$ 4,731,727	$ 4,355,673	$ 4,069,380	$ 3,874,444
Book Value per Share (1)	$ 15.76	$ 15.11	$ 14.14	$ 13.34	$ 12.34	$ 11.68	$ 10.74	$ 10.14	$ 9.59	$ 9.16
Fixture and Leasehold Additions	$ 901,411	$ 748,758	$ 985,427	$ 903,700	$ 786,314	$ 467,887	$ 459,809	$ 452,272	$ 427,868	$ 1,027,550
Depreciation	$ 663,750	$ 633,483	$ 575,139	$ 507,717	$ 465,372	$ 451,573	$ 412,190	$ 383,368	$ 349,870	$ 322,038
Units in Operation — End of Year	117	111	107	102	86	81	78	80	78	80

(1) Based upon the number of shares outstanding at the end of each year adjusted to reflect a stock split of 3 for 1 on September 30, 1960.

(2) Does not include amounts due in 1954, 1953 and 1952 on shares subscribed but not issued.

consolidated balance sheet

GRAY DRUG STORES, INC. AND SUBSIDIARIES

assets

	June 30, 1961	June 30, 1960
CURRENT ASSETS		
Cash	$ 1,195,799	$ 842,498
United States Treasury Bills — at cost plus accrued interest	- 0 -	1,086,239
Accounts receivable, less allowance of $30,000	249,367	297,798
Inventories, priced generally on the basis of the lower of cost (latest) or replacement market	8,662,442	7,961,472
Prepaid expenses and state sales tax	340,849	362,175
TOTAL CURRENT ASSETS	$10,448,457	$10,550,182
OTHER ASSETS	201,249	207,775
FIXED ASSETS — on the basis of cost		
Furniture, fixtures, and equipment	$ 3,946,204	$ 3,717,133
Leasehold improvements	2,509,358	2,357,059
	$ 6,455,562	$ 6,074,192
Less allowances for depreciation and amortization	2,909,277	2,717,613
	$ 3,546,285	$ 3,356,579
	$14,195,991	$14,114,536

GRAY
DRUG STORES, INC

liabilities and shareholders' equity

	June 30, 1961	June 30, 1960
CURRENT LIABILITIES		
Trade accounts	$ 1,931,733	$ 2,278,780
Other liabilities and accrued expenses	1,344,105	1,290,537
Taxes other than federal taxes on income	232,872	211,541
Federal taxes on income — estimated	721,382	682,079
TOTAL CURRENT LIABILITIES	$ 4,230,092	$ 4,462,937
5% CONVERTIBLE DEBENTURES DUE 1974 — Note A	2,139,200	2,313,500
SHAREHOLDERS' EQUITY		
Common Stock, par value $1 a share — Notes A and B:		
Authorized 1,000,000 shares in 1961; 500,000 shares in 1960		
Outstanding 496,762 shares in 1961; 161,925 shares in 1960	$ 496,762	$ 161,925
Capital in excess of par value	1,991,824	2,152,792
Earnings retained for use in the business — Note A	5,338,113	5,023,382
TOTAL SHAREHOLDERS' EQUITY	$ 7,826,699	$ 7,338,099
LONG-TERM LEASE COMMITMENTS — Note D		
	$14,195,991	$14,114,536

See notes to financial statements.

GRAY DRUG STORES, INC. AND SUBSIDIARIES

statement of consolidated capital

IN EXCESS OF PAR VALUE

	Year Ended June 30, 1961	1960
Balance at beginning of year	$ 2,152,792	$ 2,152,792
Excess of conversion price over par value of 9,665 shares of Common Stock issued upon conversion of 5% Convertible Debentures	164,204	- 0 -
	$ 2,316,996	$ 2,152,792
Par value of 325,172 shares of Common Stock issued to effect a three-for-one stock split	325,172	- 0 -
Balance at end of year	$ 1,991,824	$ 2,152,792

statement of consolidated earnings

RETAINED FOR USE IN THE BUSINESS

Balance at beginning of year	$ 5,023,382	$ 4,553,243
Net income for the year	707,793	793,989
	$ 5,731,175	$ 5,347,232
Cash dividends declared — $.80 a share in 1961, $.66⅔ a share in 1960 (adjusted for the three-for-one stock split) – Note C	393,062	323,850
Balance at end of year	$ 5,338,113	$ 5,023,382

statement of consolidated income

Net sales	$39,626,661	$37,552,700
Other operating income	124,156	110,114
Other income	78,859	52,044
	$39,829,676	$37,714,858
Costs and expenses:		
Cost of goods sold	$25,015,370	$23,362,858
Selling, general and administrative expenses	12,560,305	11,926,622
Depreciation and amortization	663,750	633,483
Interest expense	122,458	117,906
	$38,361,883	$36,040,869
INCOME BEFORE FEDERAL TAXES ON INCOME	$ 1,467,793	$ 1,673,989
Federal taxes on income — estimated	760,000	880,000
NET INCOME	$ 707,793	$ 793,989

See notes to financial statements.

notes to financial statements

GRAY DRUG STORES, INC. AND SUBSIDIARIES
Year ended June 30, 1961

Note A — 5% Convertible Debentures due 1974:

On June 30, 1961, the Board of Directors authorized the redemption of the debentures, effective October 30, 1961, at the redemption price of 104% of the principle amount of the debentures plus accrued interest. The debenture holders have, however, the option to convert their debentures into shares of Common Stock at a conversion price of $15.83 a share on or before October 20, 1961.

At June 30, 1961, 135,136 shares of Common Stock were reserved for conversion of the debentures.

Under the terms of the indenture, earnings retained for use in the business in the amount of $2,067,504 were available for distribution to shareholders at June 30, 1961.

Note B — Stock options:

Under the Company's stock option plan, options were granted on April 29, 1960, to certain officers and key employees (four of whom are directors) to purchase the 18,000 shares of Common Stock provided for by the plan. The options are exercisable at any time between two years and five years from April 29, 1960. The option price is $15.83 per share (the approximate quoted market price at the date of grant) except that the option price for the principal shareholder and two employees related to him is $17.42 per share to permit qualification as a restricted stock option. The number of shares and the prices per share as stated above have been adjusted for the three-for-one stock split in September, 1960. The aggregate option price of all shares is $292,025.

Note C — Dividends:

The Company deposited funds with the dividend disbursing agent on June 29, 1961, for payment of the dividend payable July 2, 1961.

Note D — Long-term lease commitments:

The companies were lessees at June 30, 1961, under a number of leases extending from one to twenty years. The annual aggregate minimum rental payable under such leases (many of which provide for additional rental if amounts based on specific percentages of sales exceed the minimum) amounted to approximately $1,633,000.

Note E — Pension plan:

Total contributions under the pension plan for employees of the companies amounted to approximately $150,000 for the year ended June 30, 1961, including amortization of the cost of past service benefits to retirement age of participants. At June 30, 1961, the unfunded cost of past service benefits was approximately $19,000.

Note F — Credit agreement:

On July 3, 1961, the Company executed a credit agreement with a bank whereby the Company may borrow a maximum amount of $3,000,000 from July 3, 1961 to September 1, 1962, on revolving notes. From August 1, 1962 to September 1, 1962, the Company may convert the credit into a term loan. The Company had no borrowings outstanding under this agreement between July 3, 1961, and August 25, 1961.

accountants' report

Board of Directors
Gray Drug Stores, Inc.
Cleveland, Ohio

We have examined the consolidated balance sheet of Gray Drug Stores, Inc. and subsidiaries as of June 30, 1961, and the related statements of consolidated capital in excess of par value, earnings retained for use in the business, and income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of capital in excess of par value, earnings retained for use in the business, and income present fairly the consolidated financial position of Gray Drug Stores, Inc. and subsidiaries at June 30, 1961, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Cleveland, Ohio
August 25, 1961

Ernst & Ernst

board of directors

CARLYLE W. EVANS ..... President, Gray Drug Stores, Inc.
HENRY H. GRAY ..... Vice-President, Gray Drug Stores, Inc.
CHARLES B. MERRILL ..... President, Merrill, Turben & Co.
GEORGE F. PRYOR ..... Vice-President, The Cleveland Trust Co.
JOHN W. REAVIS ..... Partner, Jones, Day, Cockley & Reavis
ADOLPH WEINBERGER ..... Chairman of the Board, Gray Drug Stores, Inc.
CARL WEINBERGER ..... Buyer, Gray Drug Stores, Inc.

officers

ADOLPH WEINBERGER ..... Chairman of the Board
CARLYLE W. EVANS ..... President
LLOYD C. DOUGLASS ..... Vice-President & Treasurer
HERBERT H. DURR ..... Vice-President
HENRY H. GRAY ..... Vice-President
MARVIN L. KAHN ..... Vice-President
MILTON M. NEUBAUER ..... Vice-President
JEROME WEINBERGER ..... Vice-President
LOUIS BERWITT ..... Secretary
ROBERT E. BREIG ..... Assistant Treasurer
JOSEPH VALINS ..... Assistant Secretary

transfer agent and registrar

THE CLEVELAND TRUST COMPANY ..... Cleveland, Ohio

auditors

ERNST & ERNST ..... Cleveland, Ohio

counsel

JONES, DAY, COCKLEY and REAVIS ..... Cleveland, Ohio

stock listed

MIDWEST STOCK EXCHANGE ..... Chicago, Illinois

GRAY
Drug Stores, Inc.
and subsidiaries

Main Office and Warehouse . . .
2400 Superior Avenue, Cleveland 14, Ohio

*Already opened or scheduled for opening in fiscal 1962.

CITIES	NUMBER OF UNITS	CITIES	NUMBER OF UNITS	CITIES	NUMBER OF UNITS	CITIES	NUMBER OF UNITS
• Akron, O.	6	* Columbus, O.	2	• Mansfield, O.	4	* Phoenix, Ariz.	1
* Akron, O.	4	• Covington, Ky.	1	• Massillon, O.	2	• Sandusky, O.	2
• Alliance, O.	1	• Dayton, O.	7	* Mentor, O.	1	• Sheffield, O.	1
• Anaheim, Cal.	1	• Dover, O.	1	* Miami, Fla.	3	• Springfield, Ohio	1
• Ashtabula, O.	2	• Fairborn, O.	1	• Middletown, O.	1	• Stow, O.	1
• Bradford, Pa.	1	* Findlay, O.	1	* Middletown, O.	1	• Steubenville, O.	2
• Canton, O.	4	• Ft. Worth, Tex.	1	* Mt. Vernon, O.	1	* Sunnyvale, Cal.	1
* Canton, O.	1	• Fremont, O.	2	• Newark, O.	1	• Torrance, Cal.	1
• Chillicothe, O.	1	• Hamilton, O.	1	• Newport, Ky.	1	• Warren, O.	4
• Cincinnati, O.	8	• Jacksonville, Fla.	1	• Northfield, O.	1	* Warren, O.	1
• Cleveland, O.	21	• Lancaster, O.	1	* Orlando, Fla.	1	• Willoughby, O.	1
* Cleveland, O.	3	* Lima, O.	1	• Painesville, O.	2	• Wooster, O.	2
• Columbus, O.	17	• Lorain, O.	1	* Palatine, Ill.	1	• Youngstown, O.	11

New automotive product department in Gray Drug store.

Book departments of all stores have been expanded to take advantage of this growth market.

This photo shows size of discount department store. We are already operating drug departments in stores of this type.

Large, modern Gray Drug store ready for opening of a new business day.

Modern "Dutch Oven" counter and table restaurant facilities are provided in a number of Gray Drug stores.

Artificial flower department, a recent innovation in Gray Drug stores.

GRAY
DRUG STORES, INC.